

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

Casa Tradición S.A. de C.V.,

Plaintiff,

v.

Casa Azul Spirits, LLC,

Defendant.

Civil Action No. 4:22-cv-02972

**PLAINTIFF'S MEMORANDUM OF LAW**

Pursuant to the Court's Procedure No. 10.A.1.3.b., and pursuant to the Court's direction to the parties on the record during the pre-trial conference held on January 16, 2024, as confirmed by the Minute Entry (Doc. 140), Plaintiff submits herewith Plaintiff's Memorandum of Law.

*Actual Confusion – Recent Fifth Circuit Opinion*

Recognizing that the Court does not desire additional lengthy briefing, Plaintiff files this short Memorandum of Law to inform the Court that Fifth Circuit law on the evidence required, and sufficient, to show actual confusion has changed since the Court's order denying entry of a preliminary injunction.

Specifically, on September 6, 2023, the Fifth Circuit issued an opinion clarifying what types of evidence are sufficient to establish actual confusion and rejecting the idea that actual confusion can only be shown via evidence of swayed purchases. *See Rex Real Est. I, L.P. v. Rex Real Est. Exch. Inc.*, 80 F.4th 607, 624 (5th Cir. 2023) (“Since there has been some confusion over what kind of actual confusion counts, we now take a closer a look at our precedent in this area.”).

In *Rex Real Estate*, the Fifth Circuit confirmed both that “proof of confusion on the part of ultimate purchasers is not required” and that “proof of actual confusion is not limited to actual or potential customers.” *Id.* at 627. In rejecting the idea that actual confusion evidence requires “proof of swayed customer purchases,” the court expressly rejected the contrary holdings of two recent Fifth Circuit cases—*Future Proof Brands, L.L.C. v. Molson Coors Beverage Co.*, 982 F.3d 280 (5th Cir. 2020), and *Streamline Prod. Sys., Inc. v. Streamline Mfg., Inc.*, 851 F.3d 440 (5th Cir. 2017)—in favor of the court’s prior precedent. 80 F.4th at 624 (“[T]o the extent our more recent cases require proof of swayed customer purchases, our prior holdings [which did not require proof of swayed customer purchases] control.”).

This Court did not have the benefit of the *Rex Real Estate* opinion when it issued its Memorandum and Opinion Entering Findings of Fact and Conclusions of Law (Doc. No. 42). That opinion applies the now-rejected premise that “confusion must be caused by the trademark use and must ‘sway’ consumer purchases.” *Id.* at 18 (citing *Streamline Prod. Sys., Inc.*, 851 at 457).

At trial, Plaintiff will be relying upon the now-applicable Fifth Circuit law on evidence of actual confusion, which recognizes that evidence of swayed purchases is not necessary to establish actual confusion and that confusion by persons other than the ultimate consumers can be sufficient to establish actual confusion.

January 16, 2024

Respectfully Submitted,

By: /s/Miguel Villarreal, Jr.

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#### **ATTORNEYS FOR PLAINTIFF**

#### **CERTIFICATE OF SERVICE**

I hereby certify that on January 16, 2024, a true and correct copy of the foregoing document was served on all counsel of record via the Court's ECF system.

/s/ Miguel Villarreal, Jr.

Miguel Villarreal, Jr.